



Blue Energy Limited
ABN 14 054 800 378

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

BLU

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Blue Energy Limited Annual General Meeting

Blue Energy Limited (ASX:BLU) (Blue Energy or the Company) wishes to advise that it will be holding its 2022 Annual General Meeting (Meeting) as a traditional physical meeting on:

Tuesday, 15 November 2022 at 11:00am (Brisbane Time), at the offices of:

Pitcher Partners

Level 38

Central Plaza One

345 Queen Street,

Brisbane, Qld 4000

Shareholders who cannot or do not wish to attend the Meeting are invited to participate via a live webcast hosted through the Teams meeting platform. Details of how to participate are contained below.

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholders have made a valid election to receive documents in hard copy. The Notice of Meeting and accompanying explanatory statement (Meeting Materials) are available to shareholders electronically and can be viewed and downloaded at: <https://blueenergy.com.au/>

The Company advises that the Meeting will be held to comply with Federal and State Government's restrictions in relation to gatherings of persons during the COVID-19 directions in place at the time of the Meeting, which may be different from those in place at the time of this Notice.

The Company therefore strongly encourages Shareholders who wish to vote on the business of the meeting to do so by lodging a Proxy Form prior to the date of meeting as per the instructions on the form. Proxy Forms must be received by no later than 11:00 am (Brisbane Time) on Sunday, 13 November 2022.

Shareholders can submit any questions in advance of the Meeting by emailing them to info@blueenergy.com.au by no later than 5 pm. (Brisbane Time) on Thursday 10 November 2022.

The Company will continue to closely monitor guidance from the Federal and State Governments for any impact on the proposed arrangements for the Meeting. If any changes to the arrangements proposed in this Notice are required, the Company will advise Shareholders by way of announcement on the ASX and on the Company's website at: <https://blueenergy.com.au/>

There is a risk that shareholders intending to attend the physical meeting may not be admitted, depending on the number of Shareholders who wish to physically attend. Therefore, the Company strongly encourages all shareholders to submit their directed proxy votes in advance of the Meeting as detailed below.

Physically Attending the Meeting

To assist the Company in complying with any social distancing requirements, any Shareholder proposing to attend the Meeting in person must register this intention with the Company by no later than 11.00am (Brisbane Time) on Friday, 11 November 2022.

To register to attend the meeting either call the offices of Blue Energy on +61 7 3270 8800 between 9:00am and 5:00pm or email the Company Secretary @ info@blueenergy.com.au

Participating via Live Webcast

As an alternative to physically attending the Meeting Shareholders are encouraged to participate in the meeting via a webcast platform that the Company is arranging at the moment. Details of the webcast and how shareholders can gain access to the same will be provided to those participants who record their wish to attend via this manner.

Shareholders participating in the meeting in this manner will also be able to lodge questions either during the meeting or prior to the meeting by addressing them to the Company Secretary @ info@blueenergy.com.au

Please note however that **NO** live online voting will be offered as part of such webcast.

To participate in the Meeting via the webcast please email the Company Secretary to record your intention to do so, at any time from now until 5.00 pm (Brisbane Time) Friday, 11 November 2022. The request should identify you as a Shareholder of the Company or what other capacity you propose to participate as. These requests should be emailed to info@blueenergy.com.au

Participants will be emailed login details of the webcast between 48 - 24 hours before the start of the Meeting.

Proxy Voting

In addition to the live webcast Shareholders are reminded and strongly encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 11.00am (Brisbane time) Sunday, 13 November 2022. Any proxy voting instructions received after that time will not be valid for the Meeting.



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Pitcher Partners Level 38, Central Plaza One, 345 Queen Street, Brisbane

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



BLUE ENERGY LIMITED
ABN 14 054 800 378

2022 NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Blue Energy Limited ACN 054 800 378 (“Company”) will be held at the offices of Pitcher Partners Level 38, Central Plaza One, 345 Queen Street, Brisbane on Tuesday, 15 November 2022 at 11.00am (Brisbane time).

A copy of the Company’s Annual Report (including the Remuneration Report) and details of the Company’s operations are available at the Company’s website at www.blueenergy.com.au

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, or other professional adviser prior to voting.

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Shareholders of Blue Energy Limited ("**Company**") will be held at Pitcher Partners Level 38, Central Plaza One, 345 Queen Street, Brisbane, Qld on Tuesday, 15 November 2022 at 11.00am (Brisbane time) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form, form part of this Notice of Meeting. Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

ITEMS OF BUSINESS

Financial Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2022.

Note: There is no requirement for Shareholders to approve these reports. Accordingly, a Resolution of Shareholders is not required for this item of business.

RESOLUTIONS

Resolution 1 – Adoption of 2022 Remuneration Report

To consider and, if thought fit, pass the following Resolution as a non-binding resolution under section 250R(2) Corporations Act:

"That the Remuneration Report for Blue Energy Limited for the financial year ended 30 June 2022 is adopted."

Note: Under the Corporations Act, the vote on this Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies. In addition, please refer to the Explanatory Memorandum for an explanation of the consequences of 25% or more eligible votes being cast against this resolution.

Voting Exclusion Statement

In accordance with the Corporations Act, votes must not be cast, and the Company will disregard any votes cast, on Resolution 1:

- (a) by or on behalf of either a member of the Key Management Personnel for the Company ("**KMP**"), details of whose remuneration are included in the Company's Remuneration Report for the financial year ended 30 June 2022, or a closely related party of such a member, regardless of the capacity in which the vote is cast; and
- (b) as a proxy by a member of the KMP on the date of the Meeting or a closely related party of such a member.

However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on Resolution 1:

- (a) in accordance with a direction on how to vote as set out in the proxy form; or
- (b) by the person chairing the Meeting ("**Chair**") in accordance with an express authorisation to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The KMP are those people with authority and responsibility for planning, directing and controlling the activities of the Company (or its consolidated entity), directly or indirectly. For the Company, the KMP are set out in the Remuneration Report in the Directors' Report in the 2022 Annual Report. Their closely related parties are defined in the Corporations Act and include certain members of their family, dependents and companies they control.

If you intend to appoint a member of the KMP (such as one of the Directors) or a closely related party of such a member as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the appropriate box in the Proxy Form for Resolution 1 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Resolution 1 and give the Chairman your express authority to vote your undirected proxy as he sees fit even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP (in which event the Chairman will vote in favor of Resolution 1).

Resolution 2 – Re-election of Rodney Cameron as a Director

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution of the Company:

"That Mr Rodney Cameron, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a director of Blue Energy Limited."

Resolution 3 – Ratification of Placement Shares – Listing Rule 7.4

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution of the Company:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the issue of 169,759,158 Shares in the Company under the Placement on the terms and condition described in the Explanatory Memorandum which is attached to and forms part of this Notice."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue of the Placement shares or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way

Resolution 4 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following Resolution as Special Resolution of the Company:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval be given for the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue or the agreement to issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

IMPORTANT NOTICE: At the date of this Notice of Meeting, it is not known who will participate in the proposed issue of Equity Securities the subject of this special resolution and the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Therefore, no existing Shareholder votes will be excluded under the voting exclusion in respect of Resolution 5. You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.

Resolution 5 – Issue of Performance Rights to John Ellice-Flint

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Mr John Ellice-Flint (or his nominee) of 2,406,667 Performance Rights in the Company pursuant to the Blue Energy Equity Incentive Plan and on attaining specified performance criteria as described in the Explanatory Memorandum is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by, or on behalf of, any director of the Company or any of their respective Associates, any person whose relationship with the Company, or any of the foregoing persons, is such that, in ASX’s opinion, the acquisition should be approved by security holders, who are eligible to participate in the Blue Energy Employee Equity Incentive Plan, or, in each case, any of their respective Associates. However, this does not apply to a vote if it is cast in favour of Resolution 5 by, or on behalf of:

- (1) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (2) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote as the Chair of the Meeting decides; or
- (3) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 5 if:

- (1) the person is either:
 - (a) a member of the Key Management Personnel for the Company; or
 - (b) a Closely Related Party of such a member; and
- (2) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, this does not apply if:

- (1) the person is the Chair of the Meeting; and
- (2) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if Resolution 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 6 – Issue of Performance Rights to John Phillips

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, the issue to Mr John Phillips (or his nominee) of 6,636,000 Performance Rights in the Company pursuant to the Blue Energy Equity Incentive Plan and on attaining specified performance criteria as described in the Explanatory Memorandum is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 by, or on behalf of, any director of the Company or any of their respective Associates, any person whose relationship with the Company, or any of the foregoing persons, is such that, in ASX's opinion, the acquisition should be approved by security holders, who are eligible to participate in the Blue Energy Equity Incentive Plan, or, in each case, any of their respective Associates. However, this does not apply to a vote if it is cast in favour of Resolution 6 by, or on behalf of:

- (1) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (2) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote as the Chair of the Meeting decides; or
- (3) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (b) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 6 if:

- (1) the person is either:
 - (c) a member of the Key Management Personnel for the Company; or
 - (d) a Closely Related Party of such a member; and
- (2) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, this does not apply if:

- (1) the person is the Chair of the Meeting; and
- (2) the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if Resolution 6 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

An explanation of the Resolutions is set out in the accompanying Explanatory Memorandum. This memorandum explains the purpose of the Meeting and the Resolutions to be considered at the Meeting. Shareholders should read the Explanatory Memorandum in full.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT GENERAL MEETING

A reasonable opportunity will be given to Shareholders as a whole, who attend the physical Meeting to ask questions about or make comments on the Remuneration Report and the management of the Company and to ask the auditors or their representative questions relevant to the conduct of the audit, the preparation and content of their report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and their independence in relation to the conduct of the audit.

All Shareholders are also invited to submit questions to the Company prior to or during the Meeting if participating via the live webcast.

Questions will be collated, and we will seek to address as many of the raised questions and topics as possible. If you would like to submit a written question, or if you have general questions in relation to the upcoming Annual General Meeting please see below.

Questions may be submitted by one of the following methods:

By email: info@blueenergy.com.au

By post: PO BOX 10261, Brisbane Qld 4000

The Board strongly encourages lodgement of proxy votes and submission of questions prior to the Annual General Meeting so the meeting can be held in an efficient manner.

Dated 14 October 2022

By Order of the Board

Stephen Rodgers
Company Secretary
Blue Energy Limited

IMPORTANT INFORMATION

DETERMINATION OF ENTITLEMENT TO VOTE

The Company has determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 13 November 2022 at 7.00pm (AEDT).

Shareholders can vote by either:

attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or

appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice; or

by submitting their proxy appointment and voting instructions by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by Proxy

A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting. The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e., where there are two proxies, each proxy may exercise half of the votes).

A proxy need not be a Shareholder.

The proxy can be either an individual or a body corporate.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.

Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chair of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.

To be effective, proxies must be lodged by 11.00am (Brisbane time) on Sunday, 13 November 2022. Proxies lodged after this time will be invalid.

Proxies may be lodged using any of the following methods:

1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:

The Share Registry
Blue Energy Limited
c/- Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001

or

2. by faxing a completed proxy form to:
Computershare Investor Services Pty Limited, on
1800 783 447 (within Australia); or
+ 61 3 9473 2555 (outside Australia)

or

3. by visiting: - www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form.

Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com

or

4. by scanning the QR code located on the front of the accompanying proxy form and logging in with your postcode.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 11.00am (Brisbane time) on Sunday, 13 November 2022. If facsimile transmission is used, the Power of Attorney must be certified.

How undirected proxies held by the Chair of the meeting will be voted

If you appoint the Chair of the Meeting as your proxy or he becomes your proxy by default, and you do not specify in the proxy form the manner in which you wish the Chair to vote on the Resolutions to be considered at the Meeting, you accept that the Chair intends to exercise your vote in favour of Resolutions 1 to 6 (if necessary). **If you do not direct the Chair how to vote on Resolution 1 (Adoption of 2022 Remuneration Report) you expressly authorise the Chair to exercise your proxy on those Resolutions even though they are each connected directly or indirectly with the remuneration of a member of KMP, which includes the Chair.**

If you appoint the Chair of the Meeting as your proxy and wish to direct the Chair how to vote on some or all of the Resolutions to be considered at the Meeting, you must complete the directed proxy part of the proxy form (Step 2 on the proxy form).

Blue Energy encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

IMPORTANT VOTING RESTRICTIONS

If you are entitled to vote, and you wish to appoint a proxy, you should be aware that if your proxy is a person who is not entitled to vote in their own right, the person may (subject to the Corporations Act) still vote as your proxy but your proxy's vote on your behalf will only be valid if, subject to the comments above in respect of undirected proxies held by the Chair, you direct your proxy on the proxy form how to vote and the proxy does vote as directed.

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company to explain the Resolutions to be put to the Shareholders at the Meeting to be held at the offices of Pitcher Partners Level 38, Central Plaza One, 345 Queen Street, Brisbane, Queensland on Tuesday, 15 November 2022 at 11.00am (Brisbane time).

Terms and abbreviations used in this Explanatory Memorandum have the meaning given in Schedule 1.

FINANCIAL STATEMENT AND REPORTS

The Corporations Act requires that the Director's Report, Financial Report and the Auditor's Report be laid before Shareholders at the Meeting.

The Company's Annual Report (which includes the reports to be laid before the Meeting) was released to ASX on 13 September 2022 and a copy of which is available on the Company's website at www.blueenergy.com.au.

Apart from the matters involving remuneration of the Company's KMP, which is the subject of Resolution 1, a vote of Shareholders on these reports is not required at the Meeting. However, Shareholders will be given a reasonable opportunity to raise questions and make comments on these reports at the Meeting.

Shareholders may also submit written questions to the Company's auditor, Pitcher Partners if the question is relevant to the content of the Audit Report, or the conduct of its audit of the Company's Annual Report for the year ended 30 June 2022. Relevant written questions for the auditor must be delivered by 5.00pm (Brisbane Time) on Wednesday, 9 November 2022. Please send any written questions for the auditor to Mr. Jason Evans, Partner, Pitcher Partners, Level 38, 345 Eagle Street, Brisbane or jevans@pitcherpartners.com.au.

Resolution 1 – Adoption of 2022 Remuneration Report

The Corporations Act requires listed entities to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report for the Company will be included in the Company's 2022 Annual Report. Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If, at 2 consecutive annual general meetings of the Company, 25% or more of the votes cast on a resolution that the Remuneration Report be adopted are against the adoption of the Remuneration Report, the Company will be required to put to Shareholders a resolution at the second annual general meeting proposing the calling of an extraordinary general meeting to consider the election of Directors of the Company (known as a "spill resolution"). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (known as a "spill meeting") within 90 days of the spill resolution.

All of the Directors who were in office when the Remuneration Report (being, the report laid before the second annual general meeting) was approved by the Board (other than the Managing Director) will cease to hold office

immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose re-election as Directors is approved will remain Directors of the Company.

The Company's remuneration report for the financial year ended 30 June 2021 was adopted at the 2021 Annual General Meeting of the Company held on 9 November 2021 by more than 75% of the eligible votes cast.

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company's policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company.

During this item of business, there will be opportunity for Shareholders at the Annual General Meeting to comment on and ask questions about the Remuneration Report. Resolution 1 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution. However, please refer above for an explanation of the consequences of 25% or more of the eligible vote being cast against Resolution 1. Shareholders' attention is drawn to the voting exclusion statement in relation to Resolution 1 in the Notice of Annual General Meeting.

Recommendation

The Directors of the Company unanimously recommend that Shareholders vote **FOR** this Resolution.

Subject to the voting exclusions set out in the Notice of Meeting the Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Resolution 2 - Re-election of Rodney Cameron as a Director

Rule 6.3 of the Constitution requires that one third of the Directors must retire at each annual general meeting and a Director must continue in office for a period longer than 3 years following that date the Director was last elected. Rule 6.3 also provides that any Director who so retires is eligible for re-election at the Meeting.

Mr Rodney Cameron will retire by rotation and offers himself for re-election. Mr Cameron was last re-elected to the Board by shareholders at the Company's 2020 Annual General Meeting and accordingly resigns and seeks re-election under Resolution 2.

Mr Cameron has served as a Non-Executive Director since November 2011 and as the Deputy Chairman of the Company since April 2012.

The Board believes that Mr Rodney Cameron has performed the duties and responsibilities of a Director diligently and professionally and in the best interests of all Shareholders.

Mr Cameron has over 30 year's industry experience, particularly in the energy and resources industries. He is a seasoned financial executive having been CFO for an ASX listed multi-national renewable energy company, as well as an executive director and CFO for a US multi-national independent power generation company. Mr Cameron has also worked in various management capacities for National Australia Bank, Rio Tinto, Telstra, and Atlantic Richfield Inc.

Recommendation

The Board (with Mr Cameron abstaining) unanimously supports the re-election of Mr Cameron as a Non-executive Director of the Company and recommend that Shareholders vote **FOR** this Resolution

Resolution 3 – Ratification of Placement Shares– Listing Rule 7.4

ASX Listing Rule 7.1 and 7.4

Resolution 3 is seeking to ratify the prior issue of 169,759,158 Shares (**Placement Shares**).

ASX Listing Rule 7.1 provides that a listed company may not, subject to specific exceptions, issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in a general meeting.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided the issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue of the Placement Shares did not breach ASX Listing Rule 7.1 and the Company seeks subsequent shareholder approval for this issue for the purpose of ASX Listing Rule 7.4 and all other purposes.

Technical information required by ASX Listing Rule 14.1A

If Resolution 3 is passed, the prior issue of the Placement Shares may be treated as having been made with approval under ASX Listing Rule 7.1. The Company will therefore be able to issue additional equity securities, without the Placement counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If Resolution 3 is not passed, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the date of issue

Technical information required by ASX Listing Rule 7.5

For the purpose of ASX Listing Rule 7.5, Shareholders are advised of the following particulars of the allotment and issue:

- (a) the Placement Shares were issued to sophisticated and professional investors via a process conducted by Petra Capital Pty Ltd and MST Financial Services Pty Ltd. None of the recipients of the Placement Shares are related parties of the Company (Placement Recipients);
- (b) 169,759,158 Shares were issued, and all Placement Shares were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Placement Shares were issued on 3 August 2022;
- (d) the issue price was \$0.062 per Placement Share;
- (e) the purpose of the Placement is to secure the additional funding required to undertake additional pilot appraisal drilling and associated production testing in Blue Energy's North Bowen Basin asset (ATP 814 – Sapphire Block) and designed to accelerate pilot well gas production in the Sapphire Block of ATP 814. Additionally, the proceeds of the capital raise allows appraisal drilling in the Company's 100% held ATP854 asset in the Surat Basin along with general working capital;
- (f) the Placement Shares were not issued under an agreement but as a term of the Placement offer subscribed for by Placement Recipients; and
- (g) a voting exclusion clause is set out under Resolution 3 of the Notice

Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote **FOR** of this Resolution. The Chair of the Meeting intends to vote all available proxies in favour of this Resolution.

Special Resolution 4 – Approval of 10% Placement Capacity

ASX Listing Rule 7.1A enables eligible entities to seek the approval of the holders of its ordinary securities to issue Equity Securities up to 10% of its issued share capital (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, which is detailed below.

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities in any existing quoted class, under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 4 is passed the Company will be able to issue Equity Securities up to the combined limit of both Listing Rules 7.1 and 7.1A.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities provided for in Listing Rule 7.1A and will remain subject to the 15% capacity limit under Listing Rule 7.1 only.

Resolution 4 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholder's present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are cast in favour of the resolution.

Additional Information

a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue only one type of Equity Securities quoted on ASX being ordinary shares.

b) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides those eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during up to a 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement:

- i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2 (other than exception 9, 16 or 17);
- ii) plus the number of fully paid ordinary securities issued in the 12 months on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- iii) plus the number of fully paid ordinary securities issued in the 12 months under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - a. the agreement was entered into before the commencement of the 12 months; or
 - b. the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- iv) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- v) plus the number of any other fully paid ordinary securities issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 or 7.4,

Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.
- vi) less the number of fully paid ordinary securities cancelled in the 12 months.

Note: A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.

c) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A.2 must be not less than 75% of the volume weighted average market price of Equity Securities in the same class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- 2) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

d) 10% Placement Period

An approval of the 10% Placement Facility under ASX Listing Rule 7.1A commences on the date of the Meeting and expires on the earlier to occur of:

- 1) the date that is 12 months after the date of the Meeting at which the approval is obtained; or
- 2) the time and date of the Company's next annual general meeting; or
- 3) the time and date of the approval by the holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(“10% Placement Period”).

e) Use of funds

The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

f) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, placement, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resource assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

g) Previous approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under ASX Listing Rule 7.1A at the 2021 annual general meeting held on 9 November 2021. The Company has issued 152,821,487 Shares pursuant to this previous approval sought under Listing Rule 7.1A.

In the 12 months preceding the date of the meeting the issue of these Shares under Listing Rule 7.1A represented a 10.00% total dilution of the total diluted number of Equity Securities on issue in the Company as at 9 November 2021, which was 1,528,214,889.

Details of all the Equity Securities issued by the Company under Listing Rule 7.1A.2 in the preceding 12 months of the meeting are detailed below:

Date	03.08.2022
Number	152,821,487 (plus 169,759,158 issued under LR 7.1)
Class	Ordinary Fully Paid Shares
Recipients	Applicants to Share Placement
Issue Price	\$0.062 per Share (discount of 18.4% to 10-day VWAP)
Consideration	<p>Cash Consideration raised for issue of LR7.1A shares \$9,474,932 of a total of \$20million raised (inclusive of raising costs). Net proceeds of the \$20million raised are to be applied towards:</p> <p>\$8.0m towards Bowen Basin Drilling – namely a second Sapphire Pilot well set including up to 4 lateral wells.</p> <p>\$5.3m towards Surat Basin Drilling – including a vertical and up to two lateral wells in the Permian coals.</p> <p>\$3.6m for 2D Seismic acquisition in the Greater McArthur Basin assets in the Northern Territory.</p> <p>\$3.1m Working capital and offer costs.</p> <p>As at the date of this Notice of Meeting the Company is still in the midst of its Bowen Basin Drilling Programme which the proceeds of the capital raise has been and is being applied to. It is not possible as this juncture to state with accuracy the exact amount of the funds raised that have been spent. Shareholders are referred to the September Appendix 5B for details of the cash balance and expenditure which the Company incurred which includes the proceeds of the funds raised.</p>

h) Voting exclusion

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Meeting.

i) Dilution risk

If Resolution 4 is passed by Shareholders as a Special Resolution and the Company issues Equity Securities under the 10% Placement Facility, there is a risk of economic and voting dilution to existing ordinary security holders, including the risk that:

- 1) the market price for the Company's Equity Securities in that class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities may be issued as part of consideration for the acquisition of a new asset, either of which may have an effect on the amount of funds raised by the issue of the Equity Securities.

ASX Listing Rule 7.3A.2 – Dilution Table**

Variable "A" in ASX Listing Rule 7.1A.2		\$0.025 Issue Price (50% decrease in Deemed Price)	\$0.05 Issue Price (Deemed Price)*	\$0.10 Issue Price (100% increase in Deemed Price)
1,850,795,534 Shares being the current number of Shares on issue at the date of this Notice of Meeting	10% Voting Dilution Funds Raised	185,079,553 Shares \$4,626,988.82	185,079,553 Shares \$9,253,977.65	185,079,553 Shares \$18,507,955.30
2,776,193,302 Shares being a 50% increase in the number of Shares on issue at the date of this Notice of Meeting	10% Voting Dilution Funds Raised	277,619,330 Shares \$6,940,483.25	277,619,330 Shares \$13,880,966.50	277,619,330 Shares \$27,761,933
3,701,591,068 Shares being a 100% increase in the number of Shares on issue at the date of this Notice of Meeting	10% Voting Dilution Funds Raised	370,159,106 Shares \$9,253,977.65	370,159,106 Shares \$18,507,955.30	370,159,106 Shares \$37,015,910.60

*The Deemed Price was the closing price of the Shares on the ASX on 27 September 2021.

**All Voting Dilution and Funds Raised numbers in the table have been rounded to nearest whole number.

The above table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the Deemed Price.

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

- ii) No unlisted options are exercised or any into Shares or any of the unlisted performance rights vest before the date of the issue of the Equity Securities under ASX Listing Rule 7.1A. The Company has NIL unlisted options and NIL unlisted performance rights on issue at the date of this Notice of Meeting.
- iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- v) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A and does not consider issues under the 15% placement capacity under ASX Listing Rule 7.1.
- vi) The issue of Equity Securities under the 10% Placement Facility consists only of ordinary shares in the Company. The table does not demonstrate the effect of listed or unlisted options being issued under ASX Listing Rule 7.1A.
- vii) The issue price for ordinary shares in the Company is deemed for the purposes of the table to be \$0.05 (**Deemed Price**), being the closing price of these shares on ASX on 27 September 2022. This price is indicative only and does not consider the 25% discount to market that these shares may be issued at.
- viii) 'A' is the current number of fully paid ordinary shares on issue and assumes full placement capacity available.

Recommendation

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should such an issue be required.

Accordingly, each of the Directors recommends that Shareholders vote in favour **FOR** Resolution 4.

The Chair of the Meeting intends to vote all available proxies in favour of this resolution.

Resolutions 5 and 6: Issue of Performance Rights to Directors

Resolution 5 and 6 respectively seeks Shareholder approval for the issue of up to **2,406,667** Performance Rights to the Company's Executive Chairman, John Ellice-Flint (or his nominee) and for the issue of up to **6,636,000** Performance Rights to the Company's Managing Director, John Phillips (or his nominee), under the Company's Employee Equity Incentive Plan (**Plan**).

Background

The Company's Employee Equity Incentive Plan has been established to provide eligible employees, which includes the Executive Chairman and Managing Director, with an opportunity to share in the growth in the value of the Company's Shares and to encourage them to improve the Company's performance and its returns to Shareholders as well as an alternate way of remunerating those employees, through the acquisition of securities in the Company that are subject to certain performance criteria.

In the Company's circumstances, the Board considers that the issue of Performance Rights provides a cost-effective means of incentivising the Executive Chairmans and Managing Director as opposed to alternative forms of incentives (e.g., cash bonuses or increased cash remuneration), which appropriately aligns the interests of participants in the Plan with those of stakeholders as well as conserving the cash reserves of the Company.

The Board considers that the Executive Chairman's and Managing Director's remuneration packages, including participation in the proposed grant of Performance Rights under the plan, is reasonable and appropriate having regard to the Company's circumstances, business performance, remuneration objectives, and the Managing Director's duties and responsibilities.

The Performance Rights that will be issued to the Executive Chairman and Managing Director will be unlisted and quotation for the same will not be sought.

ASX Listing Rule 10.14

Listing Rule 10.14 provides that a director or their Associates may not acquire equity securities under an employee incentive scheme without the prior approval of shareholders.

Accordingly, Resolutions 5 and 6 seek Shareholder approval for the Company to issue the relevant Performance Rights to Mr John Ellice-Flint, who holds the position of Executive Chairman and Mr John Phillips who is the Company's Managing Director (**Participating Directors**) or their Associates under the terms of the Blue Energy Employee Equity Incentive Plan in accordance with Listing Rule 10.14.

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the relevant Performance Rights to the Participating Directors (or their Associates), in accordance with the Blue Energy Employee Equity Incentive Plan.

If Resolutions 5 and 6 are not passed, the Company will be unable to proceed with the issue of the relevant Performance Rights to the relevant Participating Directors (or their Associates) in accordance with the Blue Energy Employee Equity Incentive Plan.

Shareholders should be aware that, if approval is given to issue the relevant Performance Rights to the Participating Directors under Listing Rule 10.14, approval will not be required under Listing Rule 7.1 and 7.1A and that the number of Performance Rights issued to the Participating Directors will not be counted towards the Company's placement capacity.

Summary of Material Terms of Performance Rights

The rules of the Plan allow for the Board to require the satisfaction of one or more Grant Conditions in order for the Performance Rights issued under the Plan to vest and, therefore, become exercisable by a Participant.

The Performance Rights proposed to be issued to Mr Ellice-Flint and Mr Phillips, pursuant to Resolutions 5 and 6 will be divided into three (3) separate tranches, with each tranche being subject to satisfaction of specific Performance Right Vesting Conditions and vesting requirements.

A breakdown of the Performance Right Vesting Conditions, the number of Performance Rights allocated to each director and the specific requirement for the vesting of those Performance Rights are set out in the tables below:

Executive Chairman – John Ellice-Flint

Performance Right Vesting Conditions	Number of Rights to be awarded	Specific Requirement of Vesting for conversion to Shares
Tranche 1 Key Performance Indicator – booking of 2P Reserves	451,250	The Independent certification of a further 228PJ of 2P Reserves as an aggregate across any of the Company’s permits or licences by 30 June 2023
Tranche 2 Share Price Target	1,052,917	Vesting of Tranche 2 subject to achieving a \$0.12 VWAP(20 day) to be tested @ 30 June 2023
Tranche 3 Share Price Stretch Target	902,500	Vesting of Tranche 3 subject to achieving a \$0.20 VWAP(20 day) to be tested @ 30 June 2023, with 50% vesting in 2024 and 50% in 2025.
<u>Total</u>	<u>2,406,667</u>	

Managing Director – John Phillips

Performance Right Vesting Conditions	Number of Rights to be awarded	Specific Requirement of Vesting for conversion to Shares
Tranche 1 Key Performance Indicator – booking of 2P Reserves	1,244,250	The Independent certification of a further 228PJ of 2P Reserves as an aggregate across any of the Company’s permits or licences by 30 June 2023
Tranche 2 Share Price Target	2,903,250	Vesting of Tranche 2 subject to achieving a \$0.12 VWAP(20 day) to be tested @ 30 June 2023
Tranche 3 Share Price Stretch Target	2,488,500	Vesting of Tranche 3 subject to achieving a \$0.20 VWAP(20 day) to be tested @ 30 June 2023, with 50% vesting in 2024 and 50% in 2025.
<u>Total</u>	<u>6,636,000</u>	

On the condition that Shareholder approval is obtained, the 2,406,667 Performance Rights will be issued to the Executive Chairman and the 6,636,000 Performance Rights will be issued to the Managing Director as soon as practicable following the Meeting and, in any event, will be issued no later than one month after the Meeting.

The Performance Rights are being issued as part of the remuneration for Mr Ellice-Flint and Mr Phillips and as an incentive for future performance. As such, they will be issued at no cost to Mr Ellice-Flint and Mr Phillips.

The date by which the vesting criteria will be measured is 30 June 2023. If the vesting criteria has been met by that date, then the holder of those Performance Rights will have to 1 July 2026 in order to provide a Notice of Exercise under the Plan electing to convert the Performance Rights to Shares.

If the vesting criteria has not been satisfied or otherwise waived by the Board by the end of the Vesting Period, the Performance Rights subject to such vesting criteria will lapse and no longer be capable of being converted to Shares.

While the exercise of Performance Rights and their conversion to Shares in the Company will be subject to the Performance Rights having vested on the satisfaction of the Performance Right Vesting Conditions (subject to the Board's discretion to waive those Performance Conditions in certain circumstances as detailed in Plan), neither Mr Ellice-Flint or Mr Phillips will be required to pay any exercise price to receive Shares on the exercise of Performance Rights. As such, no loans have been or will be provided as part of the Employee Equity Incentive Plan.

The Performance Rights will only be exercisable by a Participant if maintains his employment with the Company at the time that they vest unless this condition is waived as part of the Board's discretion.

The terms of the Performance Rights to be issued to the Executive Chairman and Managing Director will include the provision that if the Company is subject to a change of control event before the vesting date, the Performance Right Vesting Conditions or conditions will be treated as having been waived and the Performance Rights still on issue at the time will vest.

Additional Information under ASX Listing Rule 10.15

Details of the Executive Chairman's Remuneration

Mr Ellice-Flint's current total remuneration (excluding the Performance Rights that are the subject of Resolution 5) is \$250,000 which is an annual fixed remuneration amount (inclusive of the compulsory superannuation contribution). Further details of the Executive Chairman's remuneration can be found at pages 13 - 15 of the Annual report.

Previous Issues of Performance Rights to the Executive Chairman

There has been no Performance Rights issued to the Executive Chairman under the Employee Equity Incentive Plan which the Company adopted 13 October 2020.

Previously however a total of 16,246,000 Performance Rights had been granted to the Executive Chairman under the Employee Incentive Rights Plan (**Previous Plan**) subsequent to it being last approved by Shareholders at the 2016 AGM.

Of the performance rights that were granted under the Previous Plan:

- (a) 8,844,160 have been exercised and converted to ordinary shares:
- (b) 7,401,840 have lapsed without vesting; and
- (c) Nil remain on issue

The last approval for the issue of Performance Rights to the Executive Chairman was obtained at the 2018 AGM and these are included in the total recorded above.

There are no existing Performance Rights that remain on issue held by the Executive Chairman or an Associate of his. The Performance Rights that have previously been issued to the Executive Chairman have been issued to him at no cost.

Details of the Managing Director's Remuneration

Mr Phillips current total remuneration (excluding the Performance Rights that are the subject of Resolution 6) is \$450,000 which is an annual fixed remuneration amount (inclusive of the compulsory superannuation contribution). Further details of the Managing Director's remuneration can be found at pages 13 - 15 of the Annual report.

Previous Issues of Performance Rights to the Managing Director

There has been no Performance Rights issued to the Managing Director under the Employee Equity Incentive Plan which the Company adopted 13 October 2020.

Previously however a total of 38,647,000 Performance Rights had been granted to the Managing Director under the Previous Plan subsequent it being last approved by Shareholders at the 2016 AGM.

Of the performance rights that were granted under the Previous Plan:

- (a) 19,718,744 have been exercised and converted to ordinary shares:
- (b) 18,928,256 have lapsed without vesting; and
- (c) Nil remain on issue

The last approval for the issue of Performance Rights to the Managing Director was obtained at the 2018 AGM and these are included in the total recorded above.

There are no existing Performance Rights that remain on issue held by the Managing Director or an Associate of his. The Performance Rights that have previously been issued to the Managing Director have been issued to him at no cost.

Employee Performance Share Rights Plan

The material terms of the Employee Equity Incentive Plan are summarised in Annexure "A".

Additional Information

Details of the 2,406,667 Performance Rights, if issued to the Executive Chairman and details of the 6,636,000 Performance Rights, if issued to the Managing Director under the Plan, will be published in the Company's Annual report for 2023, which will include a statement that the approval for the issue was obtained under Listing Rule 10.14.

The Executive Chairman and Managing Director are the only directors or persons covered by Listing Rule 10.14 to whom it is proposed that Performance Rights be granted under the Plan at this time.

Any additional persons covered by Listing Rule 10.14 who may become entitled to participate in the Plan following the AGM will not participate in the Plan until Shareholder approval for their participation is obtained under Listing Rule 10.14.

Valuation of Performance Rights

The Performance Rights are not currently (and will not in the future be) quoted on the ASX and as such have no readily available market value.

The Performance Rights provide the holder with a right to receive one Share upon the exercise of that Performance Right (subject to the relevant Vesting Conditions being met). Accordingly, the Performance Rights may have a present value at the date of their grant and may acquire future value dependent upon the extent to

which the Share price increases during the term of the Performance Rights and/or changes in the probability of the relevant Vesting Conditions being met.

As a general proposition, Performance Rights are akin to options to acquire shares (having a zero or low exercise price) and have value. Various factors impact upon the value of Performance Right's including things such as:

- (a) the period outstanding before the expiry date of the Performance Rights;
- (b) the exercise price of the Performance Rights (if any) relative to the underlying price or value of the Shares into which they may be converted;
- (c) the proportion of the issued capital as expanded upon the exercise of the Performance Rights (i.e. whether or not the Shares that might be acquired upon exercise of the Performance Rights represent a controlling or other significant interest);
- (d) the value of the Shares into which the Performance Rights may be converted; and
- (e) whether or not the Performance Rights are listed or able to be transferred (i.e. readily capable of being liquidated); and
- (f) the probability of the relevant Vesting Condition being satisfied. .

The Company has attributed a value of \$35,367 to the Performance Rights to be granted pursuant to Resolution 5 and to be issued to Mr John Ellice-Flint and a value of \$97,520 to the Performance Rights to be granted under Resolution 6 and to be issued to Mr John Phillips. Details of how these amounts have been reached are below.

In respect to Tranche 1 the valuation of the Performance Rights has taken into account that the vesting condition is a non-financial vesting condition and as such the valuation of the Right is calculated as the probability of the vesting condition being satisfied multiplied by the Blue share price at the date of grant. The Company has assumed that the estimated probability is 75% and that the market prices of the Shares on the date of grant is \$0.056 per Share being the market value of the Shares as at the date that the valuation was prepared on as at 23 September 2022. The resulting valuation of the individual Rights under Tranche 1 has been determined as \$0.042.

In respect to Tranches 2 and 3 valuation noted above assumes a market price of the Shares on the date of grant of \$0.056 per Share, being the market value of the Shares as at the date that the valuation was prepared on as at 23 September 2022. For tranches 2 and 3 the optional valuation methodology that has been used is a trinomial valuation model. Utilizing this method, the valuation of the individual Rights under Tranche 2 has been determined as \$0.01295 and under Tranche 3 as \$0.00308.

Shareholders should be aware that if Resolution 5 and Resolution 6 are approved, the valuation of the Performance Rights will be performed as the date of shareholder approval. Changes in inputs into the valuation of the Performance Rights, including the market price of the Shares may result in the valuation of the Performance Rights for accounting purposes being different to the indicative valuations disclosed in this Explanatory Memorandum.

Corporations Act

In addition to the restrictions contained in the ASX Listing Rules, unless an exception applies, the Corporations Act restricts the Company from giving certain "benefits" to persons (who hold managerial or executive offices as defined in the Corporations Act) on ceasing their employment with the Company (**Termination Benefit**), in the absence of Shareholder approval.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the Plan.

The Plan contains provisions setting out the treatment of unvested Performance Rights, including the Board's discretion to waive any Grant Conditions and / or other forfeiture conditions attaching to those Performance Rights in the event that a Participant ceases to be employed by the Company or a subsidiary of it as a result of, among other things, redundancy, resignation, death, termination of employment for cause or permanent incapacity.

The exercise of these discretions by the Board will constitute a Termination Benefit for the purposes of the Corporations Act and therefor requires Shareholder approval.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The proposed issue of Performance Rights to Mr Ellice-Flint and Mr Phillips will constitute the giving of a financial benefit to related parties under Chapter 2E of the Corporations Act, for which Shareholder approval is usually required (pursuant to section 208 of the Corporations Act).

There are various exceptions to the requirement for shareholder approval. This includes in accordance with section 211 of the Corporations Act, where the benefit is remuneration to a related party as an officer or employee of the Company, and to give the remuneration would be reasonable given:

- (a) the circumstances of the Company in giving the remuneration; and
- (b) the related party's circumstances (including the responsibilities involved in the office or employment),

(the "**reasonable remuneration exception**").

Section 210 of the Corporations Act also provides an exception to the requirement for Shareholder approval to give a financial benefit, where it is given on terms that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length (the "**arm's length exception**").

Having obtained an independent remuneration report it is the view of the Board that the grant of the Performance Rights to Mr Ellice-Flint and Mr Phillips constitutes part of their respective "reasonable remuneration" and that the exceptions under section 211 and section 210 of the Corporations Act will apply to the issue of the Performance Rights under Resolutions 5 and 6.

Accordingly, the Company is not seeking Shareholder approval under section 208 of the Corporations Act.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by the proposed Resolutions 5 and 6.

Accordingly, Resolutions 5 and 6 also seeks Shareholder approval to enable the Board to provide Termination Benefits to either Mr Ellice-Flint or Mr Phillips in the event that the Board exercises these discretions.

Recommendation

The Directors (other than John Ellice-Flint and John Phillips who are not entitled to vote) recommends that Shareholders vote **FOR** the approval of the grant of Performance Rights to the Participating Directors.

The Chair intends to vote all available proxies in favour of this Resolution.

Schedule 1 - Definitions

In this Explanatory Memorandum and Notice terms defined in the Corporations Act have the same meaning when used in this document and:

“Annual Report” means the Company’s annual report for the period ending 30 June 2022.

"ASX" means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

“ASIC” means Australian Securities Investment Commission

“Board” means the board of Directors of the Company.

"Company" or "Blue Energy" means Blue Energy Limited ACN 054 800 378.

"Corporations Act" means the *Corporations Act 2001* (Cth).

“Director” means a director of the Company.

"Explanatory Memorandum" means the explanatory memorandum to this Notice.

“Financial Report” means the financial report of the Company for the year ended 30 June 2022.

“KMP” has the meaning set out in the Corporations Act.

“Listing Rules” means the Listing Rules of ASX.

“Meeting” has the meaning given in the introductory paragraph of this Notice.

"Notice" or "Notice of Annual general Meeting" means this notice of Meeting date 14 October 2022.

“Placement Shares” means 169,759,158 Shares issued to the Placement Participants 30 September 2022.

"Proxy Form" means the proxy form attached to the Notice.

“Remuneration Report” means the section of the Directors’ report for the 2022 financial year that is included under section 300A(1) of the Corporations Act.

“Resolution” means a resolution for the consideration of Shareholders at the Meeting.

"Schedule" means a schedule to this Notice.

“Share of Shares” means a fully paid ordinary share/s in the capital of the Company.

“Shareholder” means a registered holder of a Share.

Words importing the singular include the plural and conversely.

Annexure A – Summary of Terms of Plan

In order to ensure that the Company maintains its objective to attract and retain its key staff, the Company must establish schemes or programmes that enable it to reward employees for their performance and loyalty to the Company.

The Board believes that this is a fundamental corporate objective. Moreover, grants made to Eligible Employees under the Blue Energy Employee Equity Incentive Plan (Plan) will provide a powerful tool to underpin the Company's employment strategy. As well, the implementation of the Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- align the financial interest of employees with those of Shareholders; and
- provide incentives to employees to strive to achieve performance markers that in turn creates Shareholder value.

A summary of the terms of the Blue Energy Employee Equity Incentive Plan are outlined below. Capitalised terms have the meaning as defined in the Plan. A full copy of the Plan and its terms and conditions is available on the Company website located at: <https://blueenergy.com.au/corporate-governance>

Eligibility: participants in the Blue Energy Employee Equity Incentive Plan may be employees of the Company (or any of its related bodies corporate), a director of the Company (or any of its related bodies corporate), a Contractor or Casual Employee or any other person determined by the Board to be eligible to participate in the Blue Energy Employee Equity Incentive Plan (**Eligible Employee**).

Invitation: the Board may, in its absolute discretion, issue invitations to Eligible Employees to apply for Shares, Options or Performance Rights. The Board may determine which Eligible Employees are entitled to and will receive invitations to participate in the Plan.

Offer: is the offer made to an Eligible Employee to subscribe for one or more Shares, Options or Performance Rights under the Plan

Share: Share means a fully paid ordinary share in the Company.

Options: means an option granted pursuant to the Plan to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer which may or may not be granted for nil consideration.

Performance Right: means conditional right issued to a Participant under the Plan to receive a Share, subject to the terms of the Offer and the Rules of the Plan.

Exercise period: the Options or Performance Rights will become exercisable from such date as is determined by the Board and will expire on such date as determined by the Board. The Board will have the power to adjust or vary the terms of exercise of an Option or a Performance Right, including reducing or waiving the Option Vesting Conditions attaching to Options or Performance Rights Vesting Conditions attaching to Performance Rights in whole or in part at any time and in any particular case.

Grant Conditions/Vesting Conditions: Well aware of general concerns that Shareholders may have, the Board has sought to ensure that the equity based reward for Eligible Employees under the Plan is intrinsically linked with the success of Grant or Vesting Conditions. Shares, Options or Performance Rights granted under

the Plan will be subject to Grant/Vesting Conditions as determined by the Board from time to time and for each particular participant.

The particulars of such the conditions cannot at the outset be definitively set, but rather will be determined on a case by case basis. These criteria are likely to be matters such as length of employment, successful operational results and/or direct increase in Shareholder value linked to the share price of the Company or reserve targets.

The conditions determined will be in the absolute discretion by the Board and specified in any Offer to an Eligible Employee which are, subject to the rules of the Plan, required to be satisfied, reached or met before a Share, Option or Performance Right will be granted, whether or not it is granted subject to further Vesting Conditions.

Cessation of employment, total permanent disablement and death: on cessation of employment unvested Shares, Options or Performance Rights will lapse unless the Board exercises its discretion, subject to compliance with the ASX Listing Rules to treat the unvested Shares, Options or Performance Rights in another manner is the relevant circumstances warrant such treatment such as total and permanent disablement or death of the Eligible Employee.

Vested Shares, Options or Performance Rights will continue in force and remain exercisable until the Last Exercise Date, unless the cessation is as a result of termination for fraud, dishonesty or cause in which case the Shares, Options or Performance Rights will immediately lapse or the Board exercises its discretion otherwise.

Exercise price: the exercise price of either an Option or Performance Right will be determined by the Board at the time when granting the Option or Performance Right. There may be a different exercise price for those persons who are an employee engaged in the full time employment of the Company, or a Group Company, and a person who is a director of a Company or Group Company. Additionally, the Board may determine that no exercise price or consideration is payable by an Eligible Employee or Nominated Party, for either the grant of or exercise of an Option or Performance Right.

Transfer: an Option or Performance Right granted may not be transferred and lapses immediately on purported transfer, unless the Board approves the transfer which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion.

Plan Limit: Where an Offer is made under the Plan in reliance on the Class Order 14/1000, the Board must, at the time of making the Offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan.

For the avoidance of doubt, offers under the Plan that are not made in reliance on the Class Order 14/1000 or other ASIC class order or case-by-case relief are not included in the 5% Limit calculation.

Change of Control: If a Change of Control Event occurs, subject to compliance with the Listing Rules, all Unvested Shares, Unvested Options and Unvested Performance Rights held by a Participant will automatically vest and become immediately exercisable with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event.

Bonus issues: if the Company makes a bonus issue of Shares to existing holders of Shares and no Share has been issued in respect of an Option or Performance Right before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option or Performance Right before the record date for the bonus issue. No adjustment will be made to any Exercise Price that might apply.

Rights issues: If the Company makes a pro-rata rights issue of shares for cash to its ordinary shareholders, the exercise price (if one is payable) of the unexercised options will be adjusted to reflect the diluting effect of the issue.

Reconstruction of capital: if there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of a Participant (including the number of Options or Performance Rights to which each Participant is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation

Quotation of Shares: Options and Performance Rights will not be quoted on ASX. However, application will be made to ASX for official quotation of any Shares issued for the purposes of the Plan, including pursuant to the exercise of Options and Performance Rights, to the extent required by Listing Rule 2.4 if the Company's Shares are listed on ASX at that time.

Variation and Waiver: Subject to compliance with the Corporations Act and the ASX Listing Rules, the Board may from time to time vary the terms of the Blue Energy Employee Equity Incentive Plan.



BLU

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.00am (Brisbane time) on Sunday, 13 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Blue Energy Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Blue Energy Limited to be held at Pitcher Partners Level 38, Central Plaza One, 345 Queen Street, Brisbane on Tuesday, 15 November 2022 at 11.00am (Brisbane time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of 2022 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Rodney Cameron as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Placement Shares – Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights to John Ellice-Flint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Performance Rights to John Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

BLU

999999A



Computershare

